

**TOWNSHIP OF TROY
NEWAYGO COUNTY, MICHIGAN**

FINANCIAL STATEMENTS

MARCH 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

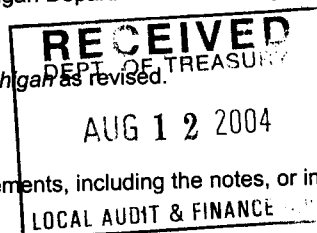
Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name TROY TOWNSHIP	County NEWAYGO
Audit Date 3/31/04	Opinion Date 7/26/04	Date Accountant Report Submitted to State: 8/9/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations



You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGR).			✓

Certified Public Accountant (Firm Name)

HENDON & SLATE, PC

Street Address

711 WEST MAIN

City

FREMONT

State

MI

ZIP

49412

Accountant Signature

Jodi DeKruiper, CPA

Date

8/9/04

TOWNSHIP OF TROY

Newaygo County, Michigan

Township Board

	<u>Position</u>
Bruce McGhan	Supervisor
Maxine Wolgamott	Clerk
Lisa Fletcher	Treasurer
Gayle Wolgamott	Trustee
Loretta Wolgamott	Trustee

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HS Companies



Hendon & Slate, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS



Independent Auditor's Report

We have audited the accompanying general purpose financial statements of Troy Township as of and for the year ended March 31, 2004 as listed in the table of contents. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with the standards prescribed by the state treasurer. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Troy, Newaygo County, Michigan, at March 31, 2004 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America and with applicable rules and regulations of any state department or agency.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,

Hendon & Slate, P.C.

Hendon & Slate, P.C.
Certified Public Accountants
July 26, 2004

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TOWNSHIP OF TROY

Combined Balance Sheet - All Fund Types and Account Groups March 31, 2004

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Group General</u>	<u>Total (Memo Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Tax Agency Account</u>	<u>Fixed Assets</u>	
ASSETS					
Cash	\$ 37,359	\$ 31,282	\$ 8	\$ -	\$ 68,649
Certificates of Deposit	10,661	10,586	-	-	21,247
Due from Other Funds	8	3,034	-	-	3,042
Taxes Receivable	715	1,099	-	-	1,814
General Fixed Assets	-	-	-	24,388	24,388
Total Assets	<u>\$ 48,743</u>	<u>\$ 46,001</u>	<u>\$ 8</u>	<u>\$ 24,388</u>	<u>\$ 119,140</u>
LIABILITIES, FUND EQUITY, AND OTHER CREDITS					
Liabilities					
Accounts Payable	\$ 1,316	\$ -	\$ -	\$ -	\$ 1,316
Due to Other Funds	<u>3,034</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>3,042</u>
Total Liabilities	4,350	-	8	-	4,358
Fund Equity and Other Credits					
Investment in General Fixed Assets	-	-	-	24,388	24,388
Fund Balance	<u>44,393</u>	<u>46,001</u>	<u>-</u>	<u>-</u>	<u>90,394</u>
Total Fund Equity and Other Credits	<u>44,393</u>	<u>46,001</u>	<u>-</u>	<u>24,388</u>	<u>114,782</u>
Total Liabilities, Fund Equity, and Other Credits	<u>\$ 48,743</u>	<u>\$ 46,001</u>	<u>\$ 8</u>	<u>\$ 24,388</u>	<u>\$ 119,140</u>

Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF TROY

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types For the Fiscal Year Ended March 31, 2004

	<u>General</u>	<u>Special Revenue</u>	<u>Total (Memo Only)</u>
Revenues			
Taxes	\$ 7,431	\$ 11,433	\$ 18,864
State Grants	17,378	-	17,378
Interest	198	156	354
Miscellaneous	<u>1,633</u>	<u>3,034</u>	<u>4,667</u>
Total Revenues	26,640	14,623	41,263
Expenditures			
Legislative	3,602	-	3,602
General Government	9,704	1,273	10,977
Public Safety	10,152	3,531	13,683
Public Works	-	2,675	2,675
Unallocated	<u>726</u>	<u>-</u>	<u>726</u>
Total Expenditures	<u>24,184</u>	<u>7,479</u>	<u>31,663</u>
Excess Revenues Over (Under) Expenditures	2,456	7,144	9,600
Fund Balances - April 1	<u>41,937</u>	<u>38,857</u>	<u>80,794</u>
Fund Balances - March 31	<u>\$ 44,393</u>	<u>\$ 46,001</u>	<u>\$ 90,394</u>

The Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF TROY

Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General and Special Revenue Fund Types For the Fiscal Year Ended March 31, 2004

	General Fund		Special Revenue Funds	
	Budget	Actual	Budget	Favorable (Unfavorable)
Revenues				
Taxes	\$ 7,880	\$ 7,431	\$ 13,500	\$ 11,433
State Grants	18,000	17,378	-	-
Interest	-	198	-	156
Miscellaneous	2,000	1,633	4,000	3,034
				(966)
Total Revenues	27,880	26,640	17,500	14,623
				(2,877)
Expenditures				
Legislative	6,000	3,602	-	-
General Government	15,400	9,704	1,700	1,273
Public Safety	11,100	10,152	4,000	3,531
Public Works	-	-	2,500	2,675
Unallocated	4,680	726	-	-
				(175)
Total Expenditures	37,180	24,184	8,200	7,479
				721
Excess Revenues Over (Under) Expenditures	\$ (9,300)	2,456	\$ 9,300	7,144
				\$ (2,156)
Fund Balance - April 1		41,937		38,857
Fund Balance - March 31		\$ 44,393		\$ 46,001

The Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF TROY

Notes to the Financial Statements
March 31, 2004

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Township's significant accounting policies applied in the preparation of the accompanying financial statements follows. The accounting practices followed by the Township are those prescribed by the State Of Michigan.

1. BASIS OF PRESENTATION

The financial activities of the local unit are recorded in separate funds, categorized and described as follows:

Governmental Funds

General Fund - This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the Township of Troy. Revenues are derived primarily from property taxes, state grants and interest on investments.

Special Revenue Funds - These funds are used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action (Cemetery, Fire, and Road Funds).

Fiduciary Funds

Trust and Agency Funds

These funds are used to account for assets held as an agent for others (Tax Account).

Account Group

General Fixed Assets - This Account Group presents the fixed assets of the local unit utilized in its general operations (nonproprietary fixed assets).

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental fund types. Public domain ("infrastructure") general fixed assets including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized along with other general fixed assets. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair market value on the date of donation. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

2. BASIS OF ACCOUNTING

All governmental funds utilize the modified accrual basis of accounting. Modification in such method from the accrual basis are as follows:

- A. Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned. Other revenue is recorded when received. "Available" means collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period (60 days).

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on September 14th and February 14 with the final collection date of February 28 before they are added to the County tax rolls. The Township collects 1.0 mills for general operations, .5 mills for fire operations, .5 mills for cemetery operations and .5 mills for roads.

- B. Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase. There were no material inventories at year end.
- C. Normally, expenditures are not divided between years by the recording of prepaid expenses.

3. BUDGETS AND BUDGETARY ACCOUNTING

Public Act 621 of 1978, section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004 the Township did not incur any material overexpenditures.

The Township of Troy prepared all budgets for the year ended March 31, 2004 on the modified accrual basis of accounting in accordance with generally accepted accounting principles.

4. EMPLOYEE RETIREMENT AND ACCRUED FRINGE BENEFITS

The Township does not participate in a pension plan for its employees (Township Officials). There were no unpaid vacation or sick leave benefits at year-end.

5. ENCUMBRANCES

The Township does not employ an encumbrance system.

6. ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenditures/expenses. Actual results could differ from those estimates.

NOTE B PROPERTY TAXES RECEIVABLE

The delinquent real property taxes of the Township of Troy are purchased by the County of Newaygo. The 2003 delinquent taxes in the amount of \$1,815 were received by the Township in June of 2004, which exceeds the general rule (60 days), however is soon enough to pay liabilities of the current period. These taxes have been recorded as revenue for the current year.

NOTE C REPORTING ENTITY

The financial statements of the Township of Troy do not include any other governmental boards or authorities based on a determination made with control or dependence in the areas of budget adoption, taxing authority, funding and appointment of respective boards.

NOTE D DEPOSITS WITH FINANCIAL INSTITUTIONS

1. Legal or Contractual Provisions for Deposits and Investments
Political Subdivisions Act No. 20, Public Acts of 1943, as amended by Act No. 196, Public Acts of 1997, states the District by resolution may authorize investment of surplus funds as follows:

- A. In bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- B. In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with Subsection (2).
- C. In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- D. In repurchase agreements consisting of instruments listed in A.
- E. In bankers' acceptances of United States banks.
- F. In obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- G. In mutual funds composed of investment vehicles which are legal for direct investment by a public corporation with further details in the act.
- H. In obligations described above if purchased through an inter local agreement under the urban co-operations act of 1967.
- I. In investment pools organized under the local government investment pool act of 1982 and 1985.

2. Deposits are carried at cost and are made at the Lake Osceola State Bank. The Township holds all deposits in its own name. Following is a schedule of deposits:

Notes to the Financial Statements (Continued)

	<u>Carrying Amount</u>	<u>Market Value</u>	
General Fund Checking - 2887	\$ 68,641	\$ 68,430	FDIC Insured
Tax Account - 2879	8	1,867	FDIC Insured
Certificate of Deposit - 72435	5,394	5,394	FDIC Insured
Certificate of Deposit - 72480	5,267	5,267	FDIC Insured
Certificate of Deposit - 72481	5,267	5,267	FDIC Insured
Certificate of Deposit - 72482	<u>5,319</u>	<u>5,319</u>	FDIC Insured
Total	<u>\$ 89,896</u>	<u>\$ 91,544</u>	

NOTE E INTERFUND BALANCES

Interfund balances at March 31, 2004 consist of the following receivable and payable in the governmental fund balance sheet related to the National Forest Monies received.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ -	\$ 3,034
Road Fund	<u>3,034</u>	<u>-</u>
	<u>\$ 3,034</u>	<u>\$ 3,034</u>

NOTE F FIRE PROTECTION AGREEMENT

The Township of Troy has a Fire Protection Agreement with the Walkerville Fire Department. The agreement covers April 1 to March 31 and is renewable annually.

NOTE G TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned memorandum only to indicate that they are presented only to facilitate financial analysis; data in these columns do not present financial position in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation; interfund eliminations have not been made in the aggregation of this data.

NOTE H CHANGES IN GENERAL FIXED ASSETS

There were no changes in the General Fixed Asset Account Group for March 31, 2004.

NOTE I RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Township carries commercial insurance. Liabilities in excess of insurance coverage, if any, are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

TOWNSHIP OF TROY

Combining Statement of Changes in Assets and Liabilities - All Agency Funds For the Fiscal Year Ended March 31, 2004

	<u>Current Tax Collection Fund</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>04/01/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>03/31/04</u>
Assets				
Cash	\$ 3	\$ 261,846	\$ 261,841	\$ 8
Taxes Receivable	-	<u>280,836</u>	<u>280,836</u>	-
Total Assets	<u>\$ 3</u>	<u>\$ 542,682</u>	<u>\$ 542,677</u>	<u>\$ 8</u>
Liabilities				
Due to Other Funds	\$ 3	\$ 17,440	\$ 17,435	\$ 8
Due to County	-	92,850	92,850	-
Due to Schools - Walkerville	-	113,213	113,213	-
Due to Oceana County ISD	-	15,214	15,214	-
Due to Community College	-	<u>23,129</u>	<u>23,129</u>	-
Total Liabilities	<u>\$ 3</u>	<u>\$ 261,846</u>	<u>\$ 261,841</u>	<u>\$ 8</u>

TOWNSHIP OF TROY

Statement of Revenues, Expenditures and Change in Fund Balance - General Fund For the Fiscal Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
REVENUES			
Taxes - Current	\$ 7,880	\$ 7,431	\$ (449)
State Grants - Shared Revenue	17,000	16,606	(394)
Summer Tax Reimbursement	1,000	772	(228)
Interest	-	198	198
Miscellaneous	<u>2,000</u>	<u>1,633</u>	<u>(367)</u>
Total Revenue	27,880	26,640	(1,240)
EXPENDITURES			
Legislative			
Township Board			
Salaries and Wages		1,080	
Payroll Taxes		683	
Miscellaneous		<u>1,839</u>	
	6,000	3,602	2,398
General Government			
Supervisor			
Salaries and Wages	1,900	1,500	400
Assessor			
Salaries and Wages	3,000	2,500	500
Clerk			
Salaries and Wages		1,700	
Miscellaneous		<u>53</u>	
	1,900	1,753	147
Board of Review			
Salaries		390	
Miscellaneous		<u>17</u>	
	\$ 600	\$ 407	\$ 193

Statement of Revenues, Expenditures and
Change in Fund Balance - General Fund (Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Treasurer			
Salaries and Wages		\$ 2,325	
Office Supplies		<u>873</u>	
	\$ 5,000	3,198	\$ 1,802
Township Hall and Grounds			
Contracted Services	2,000	307	1,693
Elections	<u>1,000</u>	<u>39</u>	<u>961</u>
Total General Government	15,400	9,704	5,696
Public Safety			
Zoning Administrator			
Miscellaneous	600	99	501
Fire Protection			
Contracted Services	9,000	8,553	447
Medical Rescue	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Total Public Safety	11,100	10,152	948
Other Expenses			
Unallocated			
Printing	480	203	277
Accounting	900	250	650
Contingencies	3,000	-	3,000
Insurance	<u>300</u>	<u>273</u>	<u>27</u>
Total Other Expenses	<u>4,680</u>	<u>726</u>	<u>3,954</u>
Total Expenditures	<u>37,180</u>	<u>24,184</u>	<u>12,996</u>
Excess Revenues Over (Under)			
Expenditures	<u>\$ (9,300)</u>	2,456	<u>\$ 11,756</u>
Fund Balance - April 1		<u>41,937</u>	
Fund Balance - March 31		<u>\$ 44,393</u>	

TOWNSHIP OF TROY

Combining Balance Sheet
All Special Revenue Funds
March 31, 2004

	<u>Fire</u>	<u>Cemetery</u>	<u>Road</u>	<u>Totals</u>
Assets				
Cash	\$ 3,709	\$ 12,490	\$ 15,083	\$ 31,282
Certificates of Deposit	-	5,319	5,267	10,586
Taxes Receivable	357	357	385	1,099
Due from Other Funds	<u>-</u>	<u>-</u>	<u>3,034</u>	<u>3,034</u>
Total Assets	<u>\$ 4,066</u>	<u>\$ 18,166</u>	<u>\$ 23,769</u>	<u>\$ 46,001</u>
Liabilities and Fund Balance				
Fund Balance	<u>\$ 4,066</u>	<u>\$ 18,166</u>	<u>\$ 23,769</u>	<u>\$ 46,001</u>
Total Liabilities and Fund Balance	<u>\$ 4,066</u>	<u>\$ 18,166</u>	<u>\$ 23,769</u>	<u>\$ 46,001</u>

TOWNSHIP OF TROY

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - All Special Revenue Funds For the Fiscal Year Ended March 31, 2004

	<u>Fire</u>	<u>Cemetery</u>	<u>Roads</u>	<u>Totals</u>
Revenues				
Taxes	\$ 3,715	\$ 3,715	\$ 4,003	\$ 11,433
Interest	-	88	68	156
Miscellaneous	<u>-</u>	<u>-</u>	<u>3,034</u>	<u>3,034</u>
Total Revenue	3,715	3,803	7,105	14,623
Expenditures				
General Government	-	1,273	-	1,273
Professional Services				
Public Safety				
Contracted Services	3,531	-	-	3,531
Public Works				
Contracted Services	<u>-</u>	<u>-</u>	<u>2,675</u>	<u>2,675</u>
Total Expenditures	<u>3,531</u>	<u>1,273</u>	<u>2,675</u>	<u>7,479</u>
Excess Revenues Over (Under) Expenditures	184	2,530	4,430	7,144
Fund Balance - April 1	<u>3,882</u>	<u>15,636</u>	<u>19,339</u>	<u>38,857</u>
Fund Balance - March 31	<u>\$ 4,066</u>	<u>\$ 18,166</u>	<u>\$ 23,769</u>	<u>\$ 46,001</u>

TOWNSHIP OF TROY

Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - Fire Fund For the Fiscal Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
Revenues			
Taxes		\$ 3,715	
Interest		<u>-</u>	
Total Revenue	\$ 4,500	3,715	\$ (785)
Expenditures			
Public Safety			
Contracted Services	<u>4,000</u>	<u>3,531</u>	<u>469</u>
Excess Revenues Over (Under)			
Expenditures	<u>\$ 500</u>	184	<u>\$ (316)</u>
Fund Balance - April 1		<u>3,882</u>	
Fund Balance - March 31		<u>\$ 4,066</u>	

TOWNSHIP OF TROY

Statement of Revenue, Expenditures and Change in Fund Balance - Budget and Actual - Cemetery Fund For the Fiscal Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues			
Taxes		\$ 3,715	
Interest		<u>88</u>	
Total Revenue	\$ 4,500	3,803	\$ (697)
Expenditures			
General Government			
Professional Services	<u>1,700</u>	<u>1,273</u>	<u>427</u>
Excess Revenue Over (Under)			
Expenditures	<u>\$ 2,800</u>	2,530	<u>\$ (270)</u>
Fund Balance - April 1		<u>15,636</u>	
Fund Balance - March 31		<u>\$ 18,166</u>	

TOWNSHIP OF TROY

Statement of revenue, Expenditures and Change in Fund Balance - Budget and Actual - Road Fund For the Fiscal Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues			
Taxes		\$ 4,003	
Interest		68	
National Forest		<u>3,034</u>	
Total Revenue	\$ 8,500	7,105	\$ (1,395)
Expenditures			
Public Works			
Contracted Services	<u>2,500</u>	<u>2,675</u>	<u>(175)</u>
Excess revenue Over (Under)			
Expenditures	<u>\$ 6,000</u>	4,430	<u>\$ (1,570)</u>
Fund Balance - April 1		<u>19,339</u>	
Fund Balance - March 31		<u>\$ 23,769</u>	

TOWNSHIP OF TROY

Statement of Changes in General Fixed Assets For the Fiscal Year ended March 31, 2004

	Balance <u>04/01/03</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>03/31/04</u>
Land and Improvements				
Cemetery	\$ 4,921	\$ -	\$ -	\$ 4,921
Township Hall	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
	4,922	-	-	4,922
Building				
Cemetery Block	100	-	-	100
Township Hall	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
	1,100	-	-	1,100
Improvements				
Township Hall	15,277	-	-	15,277
Equipment				
Administration	1,160	-	-	1,160
Cemetery	527	-	-	527
Township Hall	<u>1,402</u>	<u>-</u>	<u>-</u>	<u>1,402</u>
	<u>3,089</u>	<u>-</u>	<u>-</u>	<u>3,089</u>
Total Assets	<u>\$ 24,388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,388</u>
Investment in General Fixed Assets	<u>\$ 24,388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,388</u>

TOWNSHIP OF TROY

Schedule of Common Cash March 31, 2004

Lake-Osceola State Bank

Checking - 2887	\$ 68,641
Tax Account - 2879	8

West Shore Bank

Certificate of Deposit - 72435	5,394
Certificate of Deposit - 72480	5,267
Certificate of Deposit - 72481	5,267
Certificate of Deposit - 72482	<u>5,319</u>

Total Common Cash	<u>\$ 89,896</u>
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General Fund	\$ 48,020
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Fire Fund	3,709
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Cemetery Fund	17,809
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Road Fund	20,350
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Tax Account	<u>8</u>
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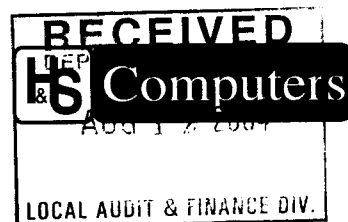
Total Cash by Fund	<u>\$ 89,896</u>
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HS & Companies



July 29, 2004

Hendon & Slate, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS



Township Board
Township of Troy
Newaygo County
Bitely, Michigan 49309

Dear Board Members:

In connection with our audit of Troy Township as of and for the year ended March 31, 2004, we offer the following comments and recommendations.

BOOKS AND RECORDS

The books and records were again maintained in good condition. There has been great improvement in the balancing of cash on a fund by fund basis.

BUDGETING

We have noted in the past that the Township has been in violation of the Uniform Accounting and Budgeting Act due to the lack of a separate budget for each fund. This continues to be the case as the Township has again prepared and approved one budget only instead of four separate budgets. Each of the Township's four funds must have a separate budget detailing the anticipated revenues and expenditures. We again recommend that the Board change their current budgeting procedures so that a completely separate budget is prepared and approved for each fund as required by law.

GASB 34

This year was the last year that your financial statements will look as they do. Your financial statements for the year ended March 31, 2006 will need to incorporate the modifications as required by GASB 34.

As you may also be aware, the State of Michigan has indicated that the audits will still be acceptable if the Township wishes to omit the government-wide financial statements, the MD&A, and the infrastructure information required by GASB 34, however, these omissions will require us to qualify our audit opinion. Of course, we would be happy to assist you in any way regarding the implementation of this new standard.

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If any of you board members have questions or concerns regarding our audit, the financial statements or this letter, please do not hesitate to call.

Thank you for the courtesy extended to us during our audit. We look forward to continuing to serve Troy Township.

Respectfully submitted,

A handwritten signature in black ink that reads "Jodi DeKuiper, CPA". The signature is written in a cursive, flowing style.

Jodi DeKuiper, CPA
Hendon & Slate, P.C.